

# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
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(313) 224-1078

TO: Willa Williams, Interim Director  
Environmental Affairs

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 29, 2009

RE: 2009-2010 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Joe Harris, Finance Department Director  
Pamela Scales, Budget Department Director  
Ervin Stewart, Budget Department Team Leader  
Arese Robinson, Mayor's Office

## **Environmental Affairs (22)**

### **FY 2009-10 Budget Analysis by the Fiscal Analysis Division**

#### **Summary**

The Department of Environmental Affairs is a General Fund Agency. The Mayor's Proposed Budget for 2009-10 includes appropriations of \$1,237,333, which is a decrease of \$3,464,980 (73.68%) from the 2008-09 FY, due primarily to the transfer of the department's Environmental Code Enforcement function to DPW (\$3,214,362 and 31 fte's). The Mayor's Proposed Budget of 2009-10 includes revenues of \$68,000, which is a \$4,050,000 (98.34%) decrease from the 2008-09 FY. The department's recommended net tax cost is \$1,169,333, \$585,020 (100.12%) more than the current fiscal year.

#### **2008-09 Surplus/(Deficit)**

The estimated deficit for the Department of Environmental Affairs is \$2.58 million for fiscal year 2008-09. The deficit is comprised of a revenue deficit of \$2.93 million, which is due to lower than anticipated ticket collections, offset by an appropriation surplus of \$342,130, due to vacancies.

#### **Overtime**

The Mayor's Proposed Budget for fiscal year 2009-10 includes no dollars for overtime expenses in the department, which is a \$3,000 decrease from the current 2008-09 fiscal year. As of March 31, 2009, the department has expended \$12,540 on overtime, or \$9,540 (318%) in excess of the annual overtime budget.

#### **Personnel and Turnover Savings**

There are no projected personnel or turnover savings for this department.

#### **Proposed Layoffs and Position Changes**

The Mayor's Proposed Budget for 2009-10 FY includes the reduction of 50 positions for the department. The 50 reductions include the transfer of 31 positions to DPW, due to the transfer of the department's Environmental Code Enforcement function to DPW. Also included in the reductions is the elimination of 17 positions from Compliance and Enforcement and 2 positions from Administration, of which 8 of the aforementioned position reductions are layoffs.

The following is information comparing budgeted FY 2008-09 positions, March 31, 2009 filled positions, and FY 09-10 recommended positions.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2008-09</u>	<u>Filled Positions 3/31/2009</u>	<u>Mayor's Budget Positions FY 2009-10</u>	<u>Over/(Under) Actual to 08/09 Budget</u>	<u>Mayor's Recommended Turnover</u>
<b>Environmental Affairs (22):</b>					
<b>00935 Environmental Affairs Administration</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>(2)</b>	<b>\$ -</b>
220021 2001 Brownfields Supplemental Pil.	0	0	0	0	\$ -
220025 Compliance and Enforcement	48	44	0	(4)	\$ -
<b>10844 Environmental Code Enforcement</b>	<b>48</b>	<b>44</b>	<b>0</b>	<b>(4)</b>	<b>\$ -</b>
13XXXX Leave of Absence	0	2	0	0	\$ -
13XXXX Worker's Comp.	0	0	0	-5	\$ -
13XXXX Unmatched Positions	0	0	0	2	\$ -
<b>TOTAL</b>	<b><u>60</u></b>	<b><u>56</u></b>	<b><u>10</u></b>	<b><u>(4)</u></b>	<b><u>\$ -</u></b>

Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
00935	Environmental Affairs Administration	This appropriation decreases by \$250,618 (3.67%), due to a \$168,297 decrease in salary and wages and a \$55,801 decrease in employee benefits due primarily to the loss of 2 employees; and a \$26,520 decrease in operating service.
10844	Environmental Code Enforcement	This program of \$3.2 million is eliminated due to the transfer of the Environmental Code Enforcement function and 31 fte's to DPW.

**Environmental Affairs (22)**

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2008-09 Budget</u>	<u>FY 2009-10 Recommended</u>	<u>Increase (Decrease)</u>
Environmental Affairs	\$ 150,000	\$ 150,000	\$ -
Environmental Code Enforcement	<u>94,000</u>	<u>-</u>	<u>(94,000)</u>
<b>Total</b>	<b><u>\$ 244,000</u></b>	<b><u>\$ 150,000</u></b>	<b><u>\$ (94,000)</u></b>

The department reduces professional and contractual services by \$94,000, due to the elimination of the department's Environmental Code Enforcement activities in the 2009-10 FY.

### Significant Revenues by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
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00935	Environmental Affairs Administration	This revenue appropriation of \$68,000 remains unchanged in the 209-10 FY.
10844	Environmental Code Enforcement	This revenue of \$4 million is eliminated due to the transfer of Environmental Code Enforcement functions to DPW.

### Issues and Questions

The Mayor has indicated that he is considering the consolidation of City departments as a cost saving option. For 2009-10, the Mayor has recommended the overall reduction of 50 (83%) of the Department of Environmental Affairs 60 positions (to 10 in 2009-10), reducing \$3,464,980 (73.68%) of its appropriations, reducing \$4,050,000 (98.34%) of its revenue and transferring 31 positions and its Environmental Code Enforcement functions to DPW in the 2009-10 FY.

- Given the factors mentioned above, how does the Administration justify maintaining the department as a separate independent department?

In addition to the 31 transfers, the Mayor has also recommended the elimination of 19 positions, 17 from Compliance and Enforcement and 2 from Administration, of which 8 of those are layoffs.

- How will the department change its focus in the upcoming fiscal year given the enormity of changes planned for the department? What is the anticipated impact of the loss of two positions in Administration?

### **Pg 22-5 Environmental Affairs Measures and Targets**

Five of the six performance measures listed on this page with measurable changes increase their targets for 2009-10 (Number of training opportunities category excluded).

- Given the personnel reductions planned, are these realistic targets?

Will the department continue its Environmental Code Enforcement revenue collection efforts to the end of the current fiscal year?

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